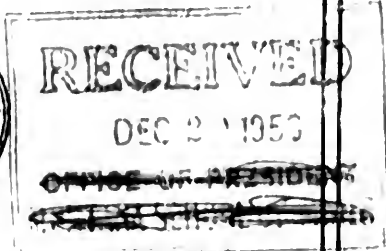


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Montana. Dept. of
State Lands and
Investments
Biennial report
for the period
beginning July 1
... and ending

MONTANA



Department of State Lands and Investments

BIENNIAL REPORT

For period beginning
JULY 1, 1954, TO
JUNE 30, 1956

LOU BRETZKE

Commissioner of State Lands and Investments

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MONTANA



Department of State Lands and Investments



BIENNIAL REPORT

For period beginning
JULY 1, 1954, TO
JUNE 30, 1956



LOU BRETZKE
Commissioner of State Lands and Investments

Montana State Land Department

STATE BOARD OF LAND COMMISSIONERS

HON. J. HUGO ARONSON, Governor, President of the Board

HON. MARY M. CONDON, Superintendent of Public Instruction,
Vice President

HON. S. C. ARNOLD, Secretary of State, Member

HON. ARNOLD H. OLSEN, Attorney General, Member



OFFICERS AND PERSONNEL

LOU E. BRETZKE

Commissioner of State Lands and Investments and Ex-officio
Secretary of the Board

MRS. MARTHA M. LIEBERG, Secretary to Commissioner

C. A. LINDEBERG, Chief of Bond & Investment Department

JOHN W. OSBORNE, Assistant Bond Clerk-Typist

MISS EULA MAY HALL, Receptionist-Typist

MISS VINNIE M. WEGGENMAN, Cashier

MRS. MARY A. TUCKER, Assistant Cashier

MRS. EVA JANET SMITH, Chief of Mineral Section

MRS. EMMA O. HOLVERSON, Assistant, Mineral Section

MISS JULIA T. JOHNSON, Bookkeeper & Payroll Clerk

MRS. CHRISTINE H. MARTIN, Lease Clerk

MISS MARGARET V. BJORNEBY, Contract & Deed Clerk

MRS. SIGNA L. BURRIS, File & Recording Clerk

MRS. ELLA B. DOWNS, Clerk-Typist

F. L. SORENSON, Chief Field Agent

MRS. IDA H. DUCICH, Right-of-Way Clerk & Assistant, Field Dept.

PAUL M. BURT, Deputy Field Agent

DAVID R. LAND, Deputy Field Agent

GEORGE F. MOORE, Deputy Field Agent

GEORGE WITHROW, Deputy Field Agent



Part time assistants, both in the office and field, are employed as
the season's work load requires.



Gareth C. Moon, State Forester, Missoula, Montana, is the chief administrative and executive officer under the State Land Board in all matters pertaining to the state forests.

Approximately 488,078 acres of state land have been classified as forest lands. Sec. 81-901, R.C.M., 1947, forbids the sale of forest lands; however, forest products may be and are sold. The forester is responsible for the harvesting and sale of these products, fire prevention and re-forestation.

This report does not include any matters pertaining to state forest land other than the foregoing.

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STATE OF MONTANA
BIENNIAL REPORT OF
THE COMMISSIONER OF STATE LANDS
AND INVESTMENTS

Helena, Montana, October 15, 1956.

To His Excellency, The Governor, and
Members of the Thirty-fifth Legislative
Assembly of the State of Montana.

In compliance with the duty imposed upon me by Section 81-206 of the Revised Codes of Montana, 1947, I herewith submit the Biennial Report of the Commissioner of State Lands and Investments for the two-year period beginning with July 1, 1954, and ending June 30, 1956. In this report we endeavor to present a clear and concise statement of all moneys received from all sources during this period and the distribution thereof to the various funds to which they belong. The report shows the amount of money received designated by law as interest and income and the distribution thereof to the common schools and other educational institutions and it also shows the amount of money received and allocated to the various permanent funds. Comparative statements are given showing the growth in the income of this department from 1896 to the end of the fiscal year June 30, 1956.

Respectfully submitted,

LOU E. BRETZKE,
Commissioner.

OFFICERS OF STATE LAND DEPARTMENT FROM 1891 TO JULY 1, 1927

YEAR	STATE LAND BOARD				REGISTER OF STATE LANDS	STATE LAND AGENT	STATE FORESTER
	Governor	Supt. Public Inst.	Sec'y. of State	Atty. General			
1890—1892	Jos. K. Toole	John Gannon	L. Rotwitt	H. J. Haskell	S. A. Swigert H. D. Moore (Thos. D. Long (John P. Schmit (John P. Schmit F. H. Ray	Granville Stuart R. O. Hickman J. M. Page Henry Neill Henry Neill	C. W. Jungberg
1893—1894	John E. Rickards	E. A. Steere	L. Rotwitt	H. J. Haskell			
1895—1896	John E. Rickards	E. A. Steere	L. Rotwitt	H. J. Haskell			
1897—1900	Robt. B. Smith	E. A. Carleton	T. S. Hogan	C. B. Nolan			
1901—1904	Jos. K. Toole	W. W. Welch	Geo. M. Hays	James Donovan			
1905—1908	Jos. K. Toole	W. E. Harmon	A. N. Yoder	Albert J. Galen	C. A. Whipple C. A. Whipple Geo. W. Cook L. E. Choquette	John C. Van Hook John C. Van Hook R. P. McLaughlin Rutledge Parker	C. W. Jungberg
1909—1912	Edw. L. Norris	W. E. Harmon	T. M. Swindelhurst	(Albert J. Galen (D. M. Kelly			
1913—1916	S. V. Stewart	H. A. Davey	A. M. Alderson	J. B. Polindexter			
1917—1920	S. V. Stewart	May Trumper	C. T. Stewart	S. C. Ford			
1921—1924	Jos. M. Dixon	May Trumper	C. T. Stewart	(W. D. Rankin (L. A. Foot			
1925—1927	J. E. Erickson	May Trumper	C. T. Stewart	L. A. Foot	I. M. Brandlford		

OFFICERS OF DEPARTMENT OF STATE LANDS AND INVESTMENTS FROM JULY 1, 1927, TO JUNE 30, 1956

YEAR	STATE BOARD OF LAND COMMISSIONERS				Commissioner State Lands & Investments	CHIEF FIELD AGENT	STATE FORESTER
	Governor	Supt. Public Inst.	Sec'y. of State	Atty. General			
1927—1928	J. E. Erickson	May Trumper	(William Powers (J. W. Mountloy	L. A. Foot	I. M. Brandlford	L. E. Choquette	Rutledge Parker
1928—1932	J. E. Erickson	Elizabeth Ireland	W. E. Harmon	L. A. Foot	I. M. Brandlford	L. E. Choquette	Rutledge Parker
1932—1936	F. H. Cooney	Elizabeth Ireland	Sam W. Mitchell	Raymond Nagle	I. M. Brandlford	L. E. Choquette	Rutledge Parker
1936—1937	Emer Holt	Elizabeth Ireland	Sam W. Mitchell	(Enor K. Matson			
1937—1941	Roy E. Ayers	Ruth Reardon	Sam W. Mitchell	H. J. Freebourn	N. B. Sherlock	H. E. Biering	Rutledge Parker
1941—1942	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	John W. Bonner	J. W. Walker	W. J. Burton	Rutledge Parker
1942—1943	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	(H. Gullickson (H. Gullickson	J. W. Walker	W. J. Burton	Rutledge Parker
1943—1948	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	(R. V. Bottomly (R. V. Bottomly	J. W. Walker	W. J. Burton	Rutledge Parker
1948—1949	John W. Bonner	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen	W. P. Pilgeram	H. C. Biering	Rutledge Parker
1949—1952	John W. Bonner	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen	J. B. Bourassa	F. L. Sorenson	Rutledge Parker
1952—1953	J. Hugo Aronson	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen	Lou E. Bretzke	F. L. Sorenson	Rutledge Parker
1953—1954	J. Hugo Aronson	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen	Lou E. Bretzke	F. L. Sorenson	Rutledge Parker
1954—1955	J. Hugo Aronson	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen	Lou E. Bretzke	F. L. Sorenson	Gareth C. Noon
1955—1956	J. Hugo Aronson	Mary M. Condon	S. C. Arnold	Arnold H. Olsen	Lou E. Bretzke	F. L. Sorenson	Gareth C. Noon

GENERAL INFORMATION

In preceding reports under the heading of general information, reference has been made to the lands granted to the State of Montana under the Enabling Act approved by Congress February 22, 1889. Under this Act Sections 16 and 36 in every township within the State was granted to the State of Montana for common school support. If any of these sections had been homesteaded or otherwise disposed of prior to the enactment of this legislation, lieu lands were granted to the State in place thereof. The Act fixed the selling price of all grant lands at \$10.00 an acre. This price was excessive for grazing land and Congress later modified the Enabling Act setting a price of \$5.00 an acre on all lands classified as only fit for grazing.

Under this Act the following federal land grants were made to the State of Montana for the various educational and other institutions:

Grant	Acres
Public School	5,188,000.00
State University	46,720.09
Montana State College	50,000.00
Montana State College—Morrill	90,000.00
School of Mines	100,000.00
State Normal School	100,000.00
Deaf & Blind Asylum	50,000.00
State Reform School	50,000.00
Public Buildings (State Capitol)	182,000.00
Soldiers' Home	1,575.61
"Militia Camp" now used as an Agricultural Experiment Station	640.00
Agricultural and Manual Training School	2,000.00
State Penitentiary	9.75

It was left to the State Legislature to set up the facilities for the proper handling and management of these lands. In 1890 the office of "State Land Agent" was created but in 1895 this was changed to "Register of State Lands". As the year went by and the volume of business in relation to state lands increased, it became apparent this title was insufficient so in 1927 the Legislature established "The Department of State Lands and Investments" to be administered by a Commissioner.

The Commissioner was to be appointed by the Governor and confirmed by the State Senate. The Commissioner was authorized by law, to appoint a chief field agent, cashier, secretary and such other personnel as may be needed to properly perform the administrative duties of the Department.

The Constitution of the State of Montana provides that the Governor, the Superintendent of Public Instruction, Secretary of State and the Attorney General shall constitute the State Board of Land Commissioners. They shall have the direct control of all state lands granted or which may hereafter be granted to the State for the support of the various educational institutions of the State of Montana.

In accordance with the provisions of the Enabling Act, necessary laws have been enacted by the State Legislature to aid in the administration and efficiency of the land department. Provision has been made for the annual distribution of all income received from the rental and operation of these lands. The net rental income from Public School grant lands such as grazing, agriculture and oil leases, together with the interest received on outstanding land contracts, and interest earned on bond investments, after statutory deductions, is distributed annually to the various counties of the state on the basis of children of school age therein. Thereafter this money is again redistributed by the county superintendents to the common schools of the county. Income from lands belonging to other grants is made available to assist in defraying operating expenses of those institutions.

All moneys received from the sale of lands belonging to the common school and other grants, from the sale of timber and oil royalties and other minerals is credited to a permanent fund for each of the land grant institutions. These permanent funds can never be used for any purpose and must remain forever inviolate as the property of the fund. Such moneys are invested through a unified investment fund in United States Government bonds, bonds of the State of Montana, counties, cities and school districts within the state and the interest realized on such investments is distributed annually along with other income to the proper land grant institutions.

Permanent funds came into existence through the sale of land grant acreage. The land grants have been shown heretofore. Now we would like to show you the status of these major land grants as of June 30, 1956, in order to bring to your attention the size of permanent funds built up from the acreage sold, together with sale of timber and oil royalties.

Fund	Original Grant	Acreage as of June 30, 1956	Permanent funds as of June 30, 1956
Public School	5,188,000	4,636,904.86	\$30,661,173.34
State University	44,720	18,229.79	572,775.73
Montana State College	50,000	41,419.60	375,802.98
Montana State College, Morrill grant	90,000	64,267.43	1,081,999.58
School of Mines	100,000	60,308.13	1,008,766.98
State Normal School	100,000	66,403.14	889,401.37
Deaf and Blind Asylum....	50,000	36,375.63	441,894.71
State Reform School	50,000	36,555.17	309,628.51
Capitol Building Grant....	182,000	125,162.22	

We do not list above the Capitol Building Permanent Fund for the reason all money realized from the sale of land, interest, grazing rentals, agriculture, sale of timber and oil royalties is disbursed as received on improvements to capitol buildings and new construction. The Capitol Building Grant is practically all forest land. Every precaution is taken to preserve the forests and only merchantable trees are offered for sale annually. During the last two fiscal years there has been realized from the sale of timber on the Capitol Building Grant the sum of \$186,071.16. This is a nominal amount. Some years the income from the sale of timber is considerably in excess of this amount. The amount in the Capitol Building Fund as of June 30, 1956, is \$53,080.56.

TOTAL RECEIPTS FROM ALL SOURCES

Total receipts include all moneys received from crop shares, grazing rentals, oil lease rentals, royalties, land sales, payments on land contracts and interest on deferred payments on such contracts. We list them over a period of years to show the enormous increase in the business of this department.

1897	\$ 101,755.98
1907	829,480.06
1927	2,287,277.17
1948	3,856,612.38
1949	4,100,656.65
1950	3,698,375.26
1951	5,199,749.91
1952	11,146,605.17
1953	8,113,375.35
1954	7,620,966.79
1955	6,894,963.39
1956	7,125,179.21

This clearly illustrates the growth of this department in past years. During the last fifteen years there has been considerable activity in building up farming units as well as stock raising units. Enterprising farmers and stockmen concluded that it required substantial acreage to build up a profitable unit for either purpose and have ever since endeavored to acquire additional land. Applications for the purchase of land are continually received and sales are held throughout the year over the state. Thousands of acres are sold, mostly on thirty-three year contracts drawing 5% interest on deferred payments. Before the State Board of Land Commissioners will authorize the sale of any state land it must appear that the amount realized from such sale invested in bonds will give a return substantially greater than the annual rentals received.

GROSS INCOME

By gross income we mean the total income received by this department for use of the land remaining in the common school grant and all other land grants to the State of Montana under the Enabling Act. This income consists of crop shares from state owned agricultural lands, grazing rentals, oil lease rentals, interest on certificates of purchase and the interest received from the investment of permanent funds. The interest and income from school grant lands is distributed annually to the common schools of the State. Likewise the income from land grants belonging to other educational institutions is made available to them as received.

As the common school interest and income accumulates, an effort is made every year to invest as much thereof as possible in U. S. Treasury short term investments. By this means the common school interest and income accumulations are made to earn additional sums before being finally distributed to the common schools of the state. The cost of maintaining and operating the common schools of the state has increased considerably over past years and the annual distribution from this department goes a long ways to ease the burden on the taxpayer. In order to more clearly show the amount of interest and income distributed annually we give you the following statement. About 88% of these amounts belong to the common schools of the state.

Gross Income Only for Year Ending

June 30, 1937.....	\$1,019,368.40
June 30, 1938.....	1,050,325.94
June 30, 1939.....	1,117,175.45
June 30, 1940.....	1,387,448.34
June 30, 1941.....	1,414,719.86
June 30, 1942.....	1,756,649.80
June 30, 1943.....	1,557,881.59
June 30, 1944.....	1,829,809.42
June 30, 1945.....	2,319,047.68
June 30, 1946.....	2,040,982.25
June 30, 1947.....	2,347,399.46
June 30, 1948.....	2,568,997.67
June 30, 1949.....	2,683,190.58
June 30, 1950.....	2,462,238.16
June 30, 1951.....	3,018,219.76
June 30, 1952.....	8,921,237.89
June 30, 1953.....	5,948,530.91
June 30, 1954.....	5,808,747.57
June 30, 1955.....	4,829,387.85
June 30, 1956.....	5,358,137.60

PERMANENT FUNDS

The Enabling Act provided that all money realized from the sale of land grant acreage should be credited to a permanent fund for the particular grant. We have shown hereinbefore such permanent fund accumulations. These funds are all placed in a unified investment fund known as the Montana Trust and Legacy Permanent Fund. The Legislature has limited the investment of these funds to United States Treasury bonds, general obligation bonds of the State of Montana, cities, counties and school districts.

As of June 30, 1956, total credits to the permanent funds of the various state institutions and the common school totalled \$35,780,776.51.

Invested in bonds of the United States.....	\$26,040,000.00	
Invested in city, county and school district bonds	8,669,970.03	
Cash balance with State Treasurer.....	1,070,806.48	\$35,780,776.51

Prior to the creation of the Montana Trust and Legacy Permanent Fund for the unified investment of all funds, permanent funds for the various institutions were carried separately on our books and invested separately in bond purchases. If a large bond issue was purchased it had to be divided among the several funds and often large balances were carried in each fund for a long period of time without any opportunity for investment. Under the unified investment plan this does not happen because bond purchases yet to be paid for always exceed the cash balance on hand.

UNIFORM PLAN FOR INVESTING FUNDS OF THE STATE OF MONTANA, STATE DEPARTMENTS, AGENCIES AND INSTITUTIONS

The 1953 Legislative Assembly enacted Chapter 176, authorizing and requiring the State Board of Land Commissioners to supervise and approve the investment of departmental funds belonging to the Montana Highway Patrol, Public Employees Retirement funds, Industrial Accident Reserve Fund, Teachers Retirement Funds and funds belonging to the Fish and Game Commission. Since July 1, 1953, all investment of funds belonging to the above mentioned agencies are first approved by the State Board of Land Commissioners.

FIELD DEPARTMENT

The Chief Field Agent, under the direction of the Commissioner, has charge of the field work of the department. During the absence or disability of the Commissioner he performs all the duties of the Commissioner. Besides his office personnel he has five active fieldmen covering the state. Annually a considerable amount of work is involved in reclassifying grazing lands, checking grass coverage and animal unit rating. To come within the time limit of the new law in regard to animal unit rating, originally the work had to be done with as much speed as possible and yet with reasonable accuracy. In some of these earlier classifications it has been found necessary to change either by raising or lowering the animal unit rating. In addition to this work the fieldmen take an active part in checking crops during harvest season with additional part time fieldmen employed for this specific purpose. In getting first hand information as to yield over the state we must rely on the field force, and this information is very necessary to properly check crop returns coming into the office. If there is too much variance between the returns and the estimated crop the matter is referred to a fieldman for checking.

The field force handles many controversial matters at the request of the Commissioner and many such problems have been solved and adjusted at a minimum of expense to the State, and their efficiency and assistance is of great value to this department. Through the efforts

of the fieldmen nearly 100% of all state land is now under lease. The more fieldmen we have, the better supervision can be given the state schools' interests.

SOIL BANK PROGRAM

The Soil Bank program is made up of two parts, Soil Bank Acreage Reserve and Soil Bank Conservation Reserve.

This program is available to lessees of state lands and applications have been received placing state acreage under Acreage Reserve, and to date approximately 11,092.1 acres have been placed under this program.

Under said program the lessee may place 50% of this allotted wheat acreage in Acreage Reserve. This reserve may be seeded to barley, oats, rye or some other crop, the balance of the allotted acreage may be seeded to wheat. The state receives therefrom its crop share according to the terms of the lease. In addition the state receives its proportionate share of the Soil Bank payment for the acreage placed in Acreage Reserve. The acreage now under Acreage Reserve applies to the year 1957.

To date no applications have been received placing acreage under the Soil Bank Conservation Reserve. The final date for completing applications under this reserve is March 15, 1957.

Under this program the lessee agrees to establish a protective cover on the land, and also agrees not to crop or graze the reserve during the term of the contract.

Contracts will be for the following terms:

Land already under protective cover	3- 5 years
Land requiring protective cover	5-10 "
Land to be planted to trees	10-15 "

Annual payment on Conservation Reserve acreage is \$8.50 to \$11.00 per acre, depending on the county production history, of which the state will receive its proportionate share according to the terms of the lease.

CO-OPERATIVE STATE GRAZING DISTRICTS

In accordance with the enactment of Chapter 208 of the 1939 Session Laws a number of grazing districts were created according to the outlined procedure. This chapter provided that all vacant state land lying within a proposed area had to be taken over by the district at regular rentals. This chapter also provided for the creation of the Montana Grass Conservation Commission to supervise the conservation of state pasture resources. There are still a number of co-operative grazing districts in existence paying the annual rentals on state-owned lands.

TABLE NO. II
INCOME FROM ALL SOURCES DURING THE FISCAL YEAR
JULY 1, 1955, TO JUNE 30, 1956

INSTITUTIONS AND FUNDS TO WHICH THE INCOME BELONGS	Rentals on Arri and Grazing Leases	Grazing Fees Collected By State Forester	Rentals and Penalties on Oil and Gas Leases	Interest on Land Sales (C. P.'s.)	Rentals on Uranium Leases	Interest on Bonds	Payments from U. S. and Counties	Interest Earned on Investments in Mont. T. & L. Co.	Fees and Penalties	TOTALS
State General Fund										
Public School	2,395,447.15	8,133.29	1,595,829.25	204,621.80	5,139.70	49,611.43		778,436.70	\$ 6,138.01	6,138.01
State University	7,634.34	289.96	8,972.78	162.91		174.04		14,606.30		5,037,219.32
Mont. State College	1,678.49	272.03		58.88		434.48		9,712.60		31,840.33
Mont. State College - Morrill	14,682.57	1,610.37	210.00	398.07						12,156.48
School of Mines	37,168.39	1,550.29	2,450.89	1,685.01			Rfd. 616.90	28,186.80		46,105.06
West. Montana Normal	8,325.07	261.87	6,714.29	316.64			Rfd. 18.75	26,021.00		69,334.92
Deaf and Blind Asylum	2,444.02	716.42	3,940.00	161.78				11,432.10		27,581.67
State Reform School	4,458.72	108.86		356.44	160.00	416.71		7,995.90		18,815.48
Capitol Buildings	10,070.11		14,150.00	1,120.37			Tax 132.51	875.70		13,496.63
Soldiers' Home	132.44							119.40		26,354.69
Montana Trust and Legacy Fund										251.84
Veterans' Memorial										937,765.44
Eastern Mont Normal	8,317.20	261.88	6,714.29	316.63			B.M. 3,091.69			3,180.21
O. H. & T. B. Society							Rfd. 643.45	11,493.15		28,213.82
TOTALS	\$2,490,358.56	\$ 13,204.97	\$1,638,981.50	\$ 209,198.56	\$ 5,299.70	\$ 990,447.60	\$ 4,509.30	\$ 900,691.40	\$ 6,138.01	\$6,258,829.00
						Less Duplication	Interest			900,691.40
										\$5,358,137.60

*Refund **Tax #Boxing Matches

TABLE NO. III
 RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES
 DURING JULY 1, 1954, TO JUNE 30, 1955

INSTITUTIONS AND FUNDS TO WHICH THE RECEIPTS BELONG	R/W	Land Sales First Payments	Installments on Land Sales (C. P's.)	Timber Sales by State Forester	Oil and Gas Royalties	Coal, Sand and Gravel Royalties, etc.	Total of These Initial Payments	Repayments on Bonds	Escheated Estates	GRAND TOTALS
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Public Schools	(1)	12,202.37 223,027.27 149,582.72							(3) 50.00 22,039.09	1,863,702.12
	R/W	220.00	325,390.28	704,406.76	350,843.92	10,132.70	1,776,281.70	65,331.33		
State University			3,764.53			521.00	4,505.53	9,575.53		14,081.06
	R/W	5.00								
Mont. State College			1,854.74	6,816.24			8,675.98	2,682.02		11,358.00
Mont. State College—Morrill	R/W	383.30								
		6,400.00	1,053.83	81,108.02	117.65	10.00	89,072.80	2,328.20		91,401.00
School of Mines	R/W	229.83								
		2,400.00	2,634.07	10,635.77		111.75	16,011.42	20,658.46		36,669.88
State Normal Schools	R/W	467.53								
		614.84	6,189.71	21,086.11			28,358.19	14,107.16		42,465.35
Deaf and Blind Asylum	R/W									
			123.26	1,945.53		300.00	2,457.89	3,043.21		5,501.10
State Reform School			150.84	1,737.79			1,888.63	6,996.79		8,885.42
Capitol Buildings	R/W	921.54								
		6,841.00	16,013.76	88,960.69	3,417.32	80.00	116,234.31			116,234.31
Montana Trust and Legacy Fund										
								2,140,210.63		2,140,210.63
Veterans' Memorial								1,246.97		1,246.97
TOTALS		\$ 403,384.50	\$ 357,184.02	\$ 917,378.59	\$ 354,383.89	\$ 11,155.45	\$ 2,043,486.45	\$ 2,266,180.30	\$ 22,089.09	\$ 4,331,755.84
(1) 5% of 1954 income			(2) Collected by This Department	(3) Pharmacy Law Violation Fund						

TABLE NO. IV
RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES
DURING JULY 1, 1955, TO JUNE 30, 1956

INSTITUTIONS AND FUNDS LAND SALES TO WHICH THE RECEIPTS BELONG	R/W	Installments on Land Sales (C. P's.)	Timber Sales by State Forester	Oil and Gas Royalties	Coal, Sand and Gravel Royalties, etc.	Total of These Initial Payments	Repayments on Bonds	Escheated Estates	GRAND TOTALS
		\$	\$	\$	\$	\$	\$	\$	\$
Public Schools	(1)	230,923.58	(2) 1,273.00						
		132,489.01	513,963.95	348,714.91	8,157.38	1,516,607.55	79,611.42	36,603.30	1,632,822.27
State University	R/W	51.10							
		18,655.00	55.84		37.50	18,799.44	2,095.66		20,895.10
	R/W	553.92							
Mont. State College		181.75	67.67		.75	3,081.61	5,680.17		8,761.78
Mont. State College			(2) 12.00						
—Morrill			33,087.56	210.14		35,304.62	2,406.73		37,711.35
School of Mines	R/W	70.00							
		5,144.71	5,139.05		106.50	10,460.26	7,964.29		18,424.55
State Normal Schools		618.90	947.98			1,566.88	9,305.74		10,872.62
Deaf and Blind	R/W	1,825.50							
Asylum			372.24						
		48.76	991.63			3,189.37	1,999.11		5,188.48
State Reform School	R/W								
		165.65	809.30			1,023.71	3,228.57		4,252.28
Capitol Buildings	R/W	481.76							
		1,200.00	97,110.47	3,451.91		110,404.87			110,404.87
Montana Trust and Legacy Fund									
							969,092.29		969,092.29
Veterans' Memorial							1,295.82		1,295.82
TOTALS		\$ 398,307.12	\$ 285,839.64	\$ 352,376.96	\$ 8,302.13	\$ 1,700,438.31	\$ 11,082,679.80	\$ 36,603.30	\$ 2,819,721.41

(1) 5% of 1955 Income (2) Collected by This Department

TABLE NO. V
RECEIPTS FROM STATE LANDS AND PERMANENT FUNDS BY YEARS

	FOR PERMANENT FUNDS INCOME AND RECEIPTS	
Prior to 1896	\$	172,190.71
During 1896		38,185.23
1897		101,755.98
1898		126,833.71
1899		200,195.20
1900		200,275.25
1901		293,335.75
1902		363,584.63
1903		389,279.13
1904		389,812.60
1905		357,790.52
1906		651,352.62
1907		829,480.06
1908		805,105.35
1909		434,429.96
1910		826,836.01
1911		659,771.74
1912		1,306,892.75
1913		1,223,657.96
1914		1,122,205.27
1915		1,219,602.97
1916		1,657,639.21
1917		1,812,812.29
1918		1,828,712.43
1919		2,263,728.95
1920		1,770,070.57
1921 (Dec. 1, 1920, to June 30, 1921)		699,653.74
1922		1,290,891.25
1923		1,408,325.48
1924 (Up to June 30)		1,183,456.66
Total	\$ 25,663,054.98	

	INCOME	RECEIPTS FOR PERMANENT FUNDS	TOTALS
July 1, 1924—June 30, 1925	\$1,101,763.73	\$ 360,994.55	\$1,462,758.28
July 1, 1925—June 30, 1926	1,276,841.10	645,211.40	1,922,052.50
July 1, 1926—June 30, 1927	1,403,869.20	697,056.60	2,100,920.80
July 1, 1927—June 30, 1928	1,583,485.78	703,791.39	2,287,277.17
July 1, 1928—June 30, 1929	1,588,916.71	745,245.45	2,334,162.16
July 1, 1929—June 30, 1930	1,536,964.63	563,716.54	2,100,681.17
July 1, 1930—June 30, 1931	1,314,364.67	344,701.33	1,659,066.00
July 1, 1931—June 30, 1932	1,020,005.16	255,130.44	1,275,135.60
July 1, 1932—June 30, 1933	952,896.98	173,472.02	1,166,369.00
July 1, 1933—June 30, 1934	1,085,334.20	238,733.90	1,324,068.10
July 1, 1934—June 30, 1935	1,267,699.79	315,898.07	1,583,597.86
July 1, 1935—June 30, 1936	1,236,095.95	435,922.52	1,672,018.47
July 1, 1936—June 30, 1937	1,019,368.40	337,058.84	1,356,427.24
July 1, 1937—June 30, 1938	1,050,325.94	285,795.79	1,336,121.73
July 1, 1938—June 30, 1939	1,117,175.45	273,904.91	1,391,080.36
July 1, 1939—June 30, 1940	1,387,418.34	395,265.34	1,782,713.68
July 1, 1940—June 30, 1941	1,414,719.86	508,143.28	1,922,863.14
July 1, 1941—June 30, 1942	1,756,649.80	715,627.16	2,472,276.96
July 1, 1942—June 30, 1943	1,557,881.59	997,898.43	2,555,780.02
July 1, 1943—June 30, 1944	1,829,809.42	1,338,301.94	3,168,111.36
July 1, 1944—June 30, 1945	2,319,047.69	1,249,585.80	3,568,633.49
July 1, 1945—June 30, 1946	2,040,982.25	999,760.45	3,040,742.70
July 1, 1946—June 30, 1947	2,347,399.46	987,810.62	3,335,210.08
July 1, 1947—June 30, 1948	2,568,997.67	1,287,614.71	3,856,612.38
July 1, 1948—June 30, 1949	2,683,190.58	1,417,466.27	4,100,656.85
July 1, 1949—June 30, 1950	2,462,238.16	1,236,137.10	3,698,375.26
July 1, 1950—June 30, 1951	3,018,219.76	2,181,530.15	5,199,749.91
July 1, 1951—June 30, 1952	8,921,237.89	2,225,367.28	11,146,605.17
July 1, 1952—June 30, 1953	5,948,530.91	2,164,844.44	8,113,375.35
July 1, 1953—June 30, 1954	5,808,747.57	1,812,219.22	7,620,966.79
July 1, 1954—June 30, 1955	4,829,387.85	2,065,575.54	6,894,963.39
July 1, 1955—June 30, 1956	5,358,137.60	1,737,041.61	7,095,179.21
GRAND TOTAL	\$130,207,607.16		

TABLE NO. VI
TOTAL INVESTMENTS MADE DURING FISCAL YEAR
OF JULY 1, 1951, TO JUNE 30, 1955

	United States Bonds	County and City Bonds	School District Bonds	Totals
FUNDS INVESTED				
Montana Trust and Legacy				
Permanent Funds	\$2,200,000.00	\$ 155,022.00	\$ 843,370.24	\$3,198,392.24

TABLE NO. VII
TOTAL INVESTMENTS MADE DURING FISCAL YEAR
OF JULY 1, 1955, TO JUNE 30, 1956

	United States Bonds	County and City Bonds	School District Bonds	Totals
FUNDS INVESTED				
Montana Trust and Legacy				
Permanent Funds	\$1,790,000.00	\$ 282,000.00	\$1,019,198.60	\$3,091,198.60

TABLE NO. VIII
PERMANENT ASSETS JUNE 30, 1955
SECURITIES

INSTITUTIONS AND FUNDS TO WHICH THE ASSETS BELONG	Value of Unsold Lands At \$10.00 per Acre	Deferred Payments on Land Sales (C. P. S.)	U. S. Bonds	County City, Town and S. D. Bonds	Cash With State Treasurer	TOTAL
Public Schools	\$46,505,771.10	\$3,883,826.05	\$	\$ 189,152.65	\$	\$50,578,749.80
State University	182,388.80	2,473.42		4,804.25		189,636.47
Montana State College	414,196.00	1,371.71		15,868.47		431,436.18
Montana State College—Morrill	643,067.00	7,822.58		13,211.93		664,101.51
School of Mines	603,081.30	31,911.34		14,924.53		649,917.17
State Normal Schools	664,031.40	13,062.82		29,988.02		707,082.24
Deaf and Blind Asylum	363,756.30	3,213.60		3,630.51		370,600.41
State Reform School	365,551.70	8,974.00		11,495.54		386,021.24
Capitol Buildings	1,251,622.20	24,171.67				1,275,793.87
Soldiers' Home	12,756.10					12,756.10
O. H. & T. B. Society	656.10					656.10
Veterans' Memorial				2,680.87	18,872.67	21,553.54
Montana Trust & Legacy			24,750,000.00	7,837,863.72	1,385,327.52	33,973,191.24
TOTALS	\$51,006,878.00	\$3,976,827.19	\$24,750,000.00	\$8,123,620.49	\$1,401,200.19	\$89,261,525.87

TABLE NO. IX
PERMANENT ASSETS JUNE 30, 1956
SECURITIES

Institution and Funds to Which the Assets Belong	Value of Unsold Lands At \$10.00 per Acre	Deferred Payments on Land Sales (C. P. S.)	U. S. Bonds	County City, Town and S. D. Bonds	Cash With State Treasurer	TOTAL ASSETS
Public Schools	\$46,369,048.60	\$4,078,024.12	\$	\$ 109,541.23	\$	\$50,556,613.95
State University	182,297.90	84,092.58		2,708.59		269,099.07
Montana State College	414,196.00	2,104.04		10,188.30		426,488.34
Montana State College—Morrill	642,674.30	5,827.66		10,805.20		659,307.16
School of Mines	603,081.30	26,766.63		6,960.24		636,808.17
State Normal Schools	664,031.40	12,443.92		20,682.28		697,157.60
Deaf and Blind Asylum	363,756.30	2,841.36		1,631.40		368,229.06
State Reform School	365,551.70	8,769.89		8,266.97		382,588.56
Capitol Buildings	1,248,422.20	29,835.94				1,278,258.14
Soldiers' Home	12,756.10					12,756.10
O. H. & T. B. Society	656.10					656.10
Veterans' Memorial				1,385.05	17,857.25	19,242.30
Montana Trust and Legacy			26,040,000.00	8,669,970.03	1,070,806.48	35,780,776.51
TOTALS	\$50,866,471.90	\$4,250,706.14	\$26,040,000.00	\$8,842,139.29	\$1,088,663.73	\$91,087,981.06

TABLE NO. X
ACCOUNTS CONSTITUTING THE MONTANA TRUST AND
LEGACY FUND

	Amount in Fund June 30, 1955	Amount in Fund June 30, 1956
Public School Permanent	\$29,030,995.77	\$30,661,173.34
State University Permanent	551,880.63	572,775.73
Montana State College, Permanent.....	367,041.20	375,802.98
Montana State College, Morrill, Permanent..	1,106,288.23	1,081,999.58
School of Mines, Permanent	990,342.43	1,008,766.98
State Normal School, Permanent	878,528.75	889,401.37
Deaf and Blind Asylum, Permanent	436,706.23	441,894.71
State Reform School, Permanent	305,376.23	309,628.51
Capitol Building Fund	66,321.42	53,080.56
Soldiers' Home Permanent	4,629.14	4,629.14
Ryman E. S. Library	7,500.00	7,500.00
Ryman Fellowship Permanent	12,358.54	12,358.54
Ryman Fellowship Interest and Income	136.01	136.01
Ryman Student Loan Permanent	48,710.41	48,710.41
Ryman Student Loan Interest and Income....	1,942.40	3,272.20
W. W. Dixon Endowment Fund	23,170.00	23,170.00
Orphans' Home and T. B. Society Fund.....	12,073.74	12,388.84
Senator Walsh Endowment Fund	5,000.00	5,000.00
Land Office Unclaimed Balance	802.90	821.10
University Scholarship Prizes		
Aber Memorial	1,050.00	1,050.00
Bennett Prize	857.50	857.50
Bonner Scholarship	6,570.00	6,570.00
C. A. Duniway Scholarship	400.00	400.00
Ann Lewis Joyce Memorial	251.00	251.00
Class of 1904	706.00	706.00
Kellogg Foundation Medical Scholarship	1,451.89	1,451.89
Soldiers' Home Welfare Fund	4,461.65	4,579.95
State Prison Inmates Fund	5,000.00	5,000.00
Kellogg Foundation Loan Fund	2,287.10	2,350.80
Howard H. Johnson School of Law		
Scholarship Fund	821.10	846.10
Silas R. Thompson Scholarship Fund	5,153.00	5,265.70
Student Union Reserve Fund,		
State University	60,643.79	56,081.59
Associated Students Reserve Fund,		
State University	18,103.52	23,665.12
Frontier Writing Award, State University....	1,680.36	1,725.86
University Land Grant Student Fee Reserve		5,053.10
Laboratory Building Construction Fund.....	2,009.30	2,009.30
Governor's Quarters Construction Fund.....	402.60	150,402.60
Totals	\$33,961,652.84	\$35,780,776.51

TABLE NO. XI
SUMMARY OF LAND SALES FOR THE YEAR ENDING JUNE 30, 1955
ACRES SOLD

COUNTY	Public School	State Normal School	School of Mines	Agri. College Morrill	Total Acreage	Total Sales Price	Average Price per Acre
Beaverhead		441.84			441.84	\$ 5,964.84	\$
Blaine	4,476.64				4,476.64	88,316.64	
Cascade	1,157.72				1,157.72	138,023.16	
Chouteau	1,081.46				1,081.46	41,636.50	
Custer	640.00				640.00	3,200.00	
Daniels	280.00				280.00	6,080.00	
Dawson	640.00				640.00	3,920.00	
Fergus	160.00				160.00	5,680.00	
Gallatin	25.71				25.71	55,015.00	
Glacier	640.00				640.00	8,800.00	
Hill	2,240.00				2,240.00	64,320.00	
Judith Basin	1,405.04				1,405.04	28,406.00	
Lewis and Clark	1,004.13				1,004.13	20,954.75	
Liberty	3,760.00				3,760.00	153,280.00	
McCone	40.00				40.00	800.00	
Madison	640.00				640.00	8,960.00	
Phillips	1,320.00				1,320.00	13,231.12	
Powell	80.00				80.00	1,600.00	
Rosebud	676.20				676.20	6,943.00	
Sheridan	40.00				40.00	800.00	
Sweet Grass	640.00			640.00	1,280.00	12,800.00	
Teton			160.00		160.00	6,400.00	
Toole	1,440.00				1,440.00	57,760.00	
Wheatland	1,280.00				1,280.00	13,040.00	
Yellowstone	160.00				160.00	10,965.00	
	23,826.90	441.84	160.00	640.00	25,068.74	\$758,801.01	\$30.27

TABLE NO. XII
SUMMARY OF LAND SALES FOR THE YEAR ENDING JUNE 30, 1956
ACRES SOLD

COUNTY	Public School	Public Buildings	University	Agri. College Second	Total Acreage	Total Sales Price	Average Price per Acre
Broadwater	320.00	320.00			640.00	\$ 35,520.00	\$
Carbon	480.00				480.00	15,520.00	
Cascade	640.00		9.09		649.09	24,705.00	
Chouteau	1,680.00				1,680.00	99,400.00	
Custer	640.00				640.00	7,680.00	
Dawson	320.00				320.00	3,920.00	
Fallon	320.84				320.84	12,833.60	
Flathead				39.27	39.27	981.75	
Gallatin	5.62				5.62	7,600.00	
Garfield	640.00				640.00	6,400.00	
Glacier	234.88				234.88	5,167.36	
Granite	1.00				1.00	10.00	
Hill	3,727.02				3,727.02	194,212.34	
Lewis and Clark	1,559.50				1,559.50	42,703.50	
Liberty	687.80				687.80	59,419.00	
McCone	1,280.00				1,280.00	58,067.95	
Park	646.90				646.90	10,250.00	
Petroleum	640.00				640.00	4,800.00	
Powell	40.00				40.00	800.00	
Powder River	640.00				640.00	7,680.00	
Prairie	640.00				640.00	17,280.00	
Teton	805.00				805.00	6,770.00	
Toole	640.00				640.00	25,920.00	
Yellowstone	730.00				730.00	48,195.00	
	17,318.56	320.00	9.09	39.27	17,685.92	\$695,835.50	\$39.34

TABLE NO. XIII—(Continued)
LANDS UNSOLD IN EACH GRANT, BY COUNTIES, JUNE 30, 1956

COUNTY	Public School	University 46,720 A.	Montana State College 50,000 A.	Montana State College Morrill 90,000 A.	School of Mines 100,000 A.	State Normal School 100,000 A.	Deaf & Blind Asylum 50,000 A.	State Reform School 50,000 A.	Public Buildings 182,000 A.	TOTAL
Park	32,253.91	880.00								33,133.91
Petroleum	62,190.59	1,280.00								63,470.59
Phillips	187,280.01			760.00						188,040.01
Pondera	46,591.89			200.00						46,791.89
Powder River	140,964.93			480.00		695.10			120.00	142,140.03
Powell	57,420.44	156.67		157.69					1,600.00	59,734.80
Prairie	71,247.81									71,247.81
Ravalli	21,364.22			1,200.00		40.00			5,596.42	31,400.64
Richland	81,811.14									81,811.14
Roosevelt	18,472.97								760.00	19,232.97
Rosebud	175,471.19	2,213.74				40.00	2,107.58		12,913.41	177,684.93
Sanders	47,743.74									47,743.74
Sheridan	37,090.91									37,090.91
Silver Bow	13,268.53									13,268.53
Stillwater	45,905.73									45,905.73
Sweetgrass	48,817.33									48,817.33
Teton	74,471.11									74,471.11
Toole	93,623.84			640.00						94,263.84
Treasure	36,863.76	480.00		2,130.24	2,707.46	3,457.07		240.00	760.00	45,457.33
Valley	208,638.90				40.00					208,678.90
Wheatland	65,671.58									65,671.58
Wibaux	33,950.31	1,280.00				1,120.00		2,326.48		35,556.79
Yellowstone	80,757.83									80,757.83
TOTALS	4,635,028.87	18,229.79	41,380.33	64,306.70	60,308.13	66,403.14	36,375.63	36,555.17	124,842.22	5,083,425.98
Millia Camp									640.00	
Northern Montana Training School and Agricultural Experiment Station									2,000	
Lewis & Clark Cavern									2,728.88	
University Biological Station									124.72	
Orphans' Home and Tuberculosis Sanitarium									65.61	
Gift of Ernest White for State Park									162.00	
Soldiers' Home									1,275.61	
Miscellaneous Parcels Belonging to the State									26.62	
GRAND TOTAL										7,608.44
										\$5,091,036.42

When lands are sold, and when sales contracts are canceled, the figures of "lands unsold" are changed accordingly.

TABLE NO. XIV
OPERATION OF UNSOLD LAND ACCOUNT, JULY 1, 1951, TO JUNE 30, 1956

COUNTY	Acres Sold	Acres Cancelled Under C. P.	Acres Reinstated	Acres Acquired Thru Exchange	Acres Lost Thru Exchange	Total Deductions	Total Additions
Beaverhead	441.84					441.84	
Big Horn		640.00					640.00
Blaine	4,476.64					4,476.64	
Broadwater	320.00						
	320.00						
Carbon	480.00	200.00				640.00	
Cascade	1,797.72	658.73	18.73			480.00	200.00
	9.09						
Chouteau	2,761.46					1,825.54	652.73
Custer	1,280.00					2,761.46	
Daniels	280.00					1,280.00	
Dawson	960.00					280.00	
Fallon	320.84					960.00	
Fergus	160.00					320.84	
Flathead	39.27					160.00	
Gallatin	31.33					39.27	
Garfield	640.00					31.33	
Glacier	874.88					640.00	
Granite	1.00					874.88	
Hill	5,967.02					1.00	
Judith Basin	1,405.04					5,967.02	
Lewis and Clark	2,563.63					1,405.04	
						2,563.63	

TABLE NO. XIV—(Continued)
OPERATION OF UNSOLD LAND ACCOUNT, JULY 1, 1954, TO JUNE 30, 1956

COUNTY	Acres Sold	Acres Canceled Under C. P.	Acres Reinstated	Acres Acquired Thru Exchange	Acres Lost Thru Exchange	Total Deductions	Total Additions
Liberty	4,447.80					4,447.80	
McConc	1,320.00					1,320.00	
Madison	640.00					640.00	
Park	646.90					646.90	
Petroleum	640.00					640.00	
Phillips	1,320.00					1,320.00	
Pondera			159.00			159.00	
Powell	120.00					120.00	
Powder River	640.00					640.00	
Prairie	640.00					640.00	
Rosbud	676.20					676.20	
Sheridan	40.00					40.00	
Sweet Grass	640.00					640.00	
Teton	805.00	200.00				1,280.00	
Toole	160.00					160.00	200.00
Valley	2,080.00	640.00		725.81	1,280.00	2,080.00	640.00
Wheatland	1,280.00					1,280.00	725.81
Yellowstone	890.00	90.00				890.00	90.00
TOTALS	42,755.66	2,428.73	177.73	725.81	1,280.00	44,213.39	3,154.54
Net Deductions from Acreage of Unsold Lands						41,058.85	

TABLE NO. XV
 RIGHT OF WAY DEEDS TO STATE LANDS
 JULY 1, 1954, TO JUNE 30, 1956
 D-3824 to D-3572, inclusive

Purpose of Right of Way	Number	Acres	Compensation	Fees
State highways, borrow pits, forest, county, city, and private roads and adits.....	136	1,333.68	\$18,064.93	\$ 680.00
Cancellations	2			10.00
Oil, gas, and water pipe lines, power, telephone and telegraph lines, tank farms, injection stations, and railroads.....	67	310.40	11,525.86	335.00
Small voltage electrification power lines.....	29	53.18	145.00	145.00
School, recreational, microwave, anchor tracts, beacon and substation sites.....	7	10.63	259.50	35.00
Dams, irrigation ditches, pump sites, sewage plants, city and state buildings and grounds.....	11	193.26	3,062.78	55.00
TOTALS.....	252	1,901.15	\$33,058.07	\$1,260.00

TABLE NO. XVI

TOTAL STATE LAND ACREAGE BY GRANTS

Public Schools	4,872,518.58	
University	18,869.79	
Montana State College	65,047.43	
Montana State College, Morrill	41,717.09	
School of Mines	63,538.99	
State Normal School	67,765.79	
Deaf and Blind Asylum	37,205.23	
State Reform School	36,871.13	
Public Buildings	126,037.92	
		5,329,571.95

ACREAGE IN "SPECIAL GRANTS"

"Militia Camp"	640.00	
Northern Montana Training School and Agricultural Experiment Station	2,000.00	
Lewis & Clark Cavern	2,728.88	
University Biological Station	124.72	
Orphans' Home and T. B. Sanitarium	65.61	
Gift of Ernest White for Recreational State Park	162.00	
Soldiers' Home	1,275.61	
General Fund	26.62	7,608.44
		5,337,180.39

TOTAL ACREAGE BY CLASSIFICATION

Grazing (includes 17,864.79 acres timber land)....	4,170,151.59	
Agriculture	442,845.50	
Timber (includes 17,864.79 acres timber grazing in Musselshell County)*	488,078.15	
Certificates of Purchase	246,361.50	
	5,347,436.74	
Less*	17,864.79	
	5,329,571.95	
Special Grants	7,608.44	
TOTAL		5,337,180.39

TOTAL INCOME FROM GRAZING AND AGRICULTURE, ALL
FUNDS FOR FISCAL YEAR ENDING JUNE 30, 1956

Total acreage under lease for grazing.....	4,170,151.59	
Total grazing rentals therefrom		\$ 434,399.37
Total acreage under crop share leases	442,845.50	
Total income from crop share leases		2,055,959.19
Grand total of acreage under lease for grazing and agriculture	4,612,997.09	
GRAND TOTAL OF INCOME		\$2,490,358.56

TABLE NO. XVII
MINERAL DEPARTMENT
OIL AND GAS LEASING
July 1, 1954, to June 30, 1956

GRANT	Leases Issued			Leases Cancelled	
	Total Number	Total Acres	Initial Rental and Bonus Payments	Number	Acres
Public School	418	204,763.25	\$977,230.98	776	375,618.91
School Mines	4	1,485.72	3,800.00		
Deaf and Blind	4	920.00	6,830.00		
Public Building	5	1,798.00	14,238.50	1	118.00
University	1	320.00	320.00	2	954.00
State Normal School	5	1,485.72	5,472.88		
Farm Loan	76	21,453.86	181,124.94	97	25,325.80
TOTALS	513	232,226.55	\$1,189,017.30	876	402,016.71
Leases in effect June 30, 1954			1226	548,633.91 Acres	
Leases issued July 1, 1954, to June 30, 1956			513	232,226.55 Acres	
TOTALS					
Leases cancelled July 1, 1954, to June 30, 1956					
Leases in effect June 30, 1956					
Leases issued fiscal year 1954 to 1955	24		9,954.09 Acres		
Leases issued fiscal year 1955 to 1956	489		222,272.46 Acres		
TOTALS	513		232,226.55 Acres		
Leases cancelled fiscal year 1954 to 1955			743	321,304.85	
Leases cancelled fiscal year 1955 to 1956			133	80,711.86	
TOTALS			876	402,016.71	
INDIVIDUAL LEASE SALES					
January 18, 1955	No.	Acres	Returns		
July 13, 1955	24	9,954.09	\$ 28,720.96		
October 31, 1955	180	83,730.46	444,173.87		
March 13, 1956	153	68,568.43	344,333.80		
	156	69,973.57	371,688.67		
TOTALS	513	232,226.55	\$1,189,017.30		

STATUS OF OIL AND GAS LEASES

Leased Acreage divided among the Grants:

GRANT	Number	Acres
Public Schools	697	328,839.29
School of Mines	4	1,603.63
Deaf and Blind	4	920.00
Public Buildings	8	2,419.29
University	6	3,330.69
State Normal School	5	1,445.72
Farm Loans	137	39,485.23
TOTALS	863	378,843.75

REVENUE FROM OIL AND GAS LEASES

Rentals and Penalties:

July 1, 1954, to June 30, 1955	\$ 578,698.67	
July 1, 1955, to June 30, 1956	1,683,981.50	\$2,217,680.17

Royalties:

July 1, 1954, to June 30, 1955	354,383.89	
July 1, 1955, to June 30, 1956	352,376.96°	\$ 706,760.85

TOTALS\$2,924,441.02

°Actual royalties produced were \$367,141.71.

Part of June, 1956, royalty not received in time to be taken into account before June 30th.

LEASES IN OIL PRODUCTION ON JUNE 30, 1956

FIELD	LEASE	WELLS
Bowes	1	19
Cat Creek	2	5
Clark Fork	1	2
Cut Bank	9	42
Gas City	1	1
Glendive	1	2
Ivanhoe	1	1
Kevin-Sunburst	20	129
Pennel	1	3
Pine	1	2
Pondera	4	42
Sumatra	3	9
	45	257

Leases in Gas Production or participating in Gas Unit Plan of Operation—61.

Participating in the Pine Unit:

Leases—3.

Revenue from such participation, October, 1954, to June 30, 1956—\$35,526.36.

Payment on Royalties from participation in the Unit are paid according to the sliding scale. The State of Montana receives royalties based on 17½% and 25%.

Leases upon which there is production paying royalties of more than 12½%, and amount of the royalties at 17½% and 25%:

LEASE	17½%	25%
Stanolind Oil and Gas Company in Pine Field in Wibaux County	\$21,234.33	\$2,429.13
R. P. Oliver, Ltd., on Ivanhoe Dome	1,029.00	5,156.31
The Texas Company near Glendive	19,145.00	
Shell Oil Company, Pennel Field	7,193.46	
TOTALS	\$48,601.79	\$7,585.44
Total payments received at 17½% and 25%		\$56,187.23

The following leases have come into production since July 1, 1954:

DeKalb Agricultural Asociation Wolf Springs Field in Yellow- stone County	Commercial production April, 1956. Small well but promising area.
R. P. Oliver Ivanhoe Dome in Musselshell and Rosebud Counties	Commercial production April, 1956. Possibly the most promising lease in the state.
Stanolind Oil and Gas Company Pine Field but not in Pine Unit	Commercial production April, 1955. Production runs into the 25% bracket.
The Texas Company's Gas City lease in Dawson County on a line between production near Glendive and the Cedar Creek Anticline	Commercial production November, 1955. Good well; second well now drilling.
The Texas Company's Pennel lease in Fallon County just west of the Cedar Creek Anticline	Commercial production in April, 1955. With three wells, this lease produces in the 17½% bracket.

A lease in Carbon County is reported as above the average in both quantity and quality of oil but it is not yet in commercial production.

The steady increase in royalties is shown by a comparison of the last three fiscal years:

Fiscal year ending June 30, 1954	\$268,521.01
Fiscal year ending June 30, 1955	354,385.89
Fiscal year ending June 30, 1956	367,141.71

Royalty payments go into the Permanent Fund, to be invested according to statute. Total royalty payments received from July 1, 1954, to June 30, 1956, amounting to \$706,760.85, would, at a possibly 3% interest, add \$21,202.83 to the Interest and Income Fund.

Of rentals and bonuses, 95% goes into the Interest and Income Fund and 5% into the Permanent Fund. The Interest and Income money is distributed among the school districts of the state at the end of each calendar year. The four lease sales held in the two year period totalled \$1,189,017.30 of which \$1,129,566.43 has or will be distributed after the end of the year.

METALLIC MINERALS

State land in Montana has received its share of the uranium excitement. Forty-four leases brought in a first year rental of \$9,364.25. Second year rentals to date total \$530.00.

There are state owned lands under lease in two producing areas, a uranium project near Alhambra Hot Springs in Jefferson County, and a thorium operation in Beaverhead County.

NON-METALLIC MINERALS

The bentonite lease near Alzada, and a barite lease in Missoula County are still in production, as well as the two coal leases at Roundup. Revenues are as follows:

Bentonite	\$ 3,883.43
Barite	6,002.28
Coal	4,210.62
Sand and Gravel	5,361.25
TOTAL	\$19,457.58

TABLE NO. XVIII
RENTALS AND ROYALTIES ON GOLD, COAL, SAND AND GRAVEL,
OIL AND GAS LEASES
Collected from December 1, 1918, to June 30, 1956

Fiscal Year Ending	PERMANENT FUNDS		Income Funds		TOTALS
	Gold, Coal, Sand and Gravel Rentals and Royalties	Oil and Gas Royalties	Rentals on Oil Gas Leases		
Nov. 30, 1919	\$ 11,225.84	\$	\$ 15,243.20	\$	26,469.04
Nov. 30, 1920	11,486.53	.....	55,901.00		67,387.53
June 30, 1921	4,539.74	.....	29,601.27		34,141.01
June 30, 1922	5,923.20	2,759.71	29,601.27		38,284.18
June 30, 1923	5,148.53	5,132.25	83,430.70		93,711.48
June 30, 1924	4,239.50	6,905.82	39,832.78		50,978.10
June 30, 1925	1,733.25	8,504.18	33,950.00		44,187.43
June 30, 1926	2,254.64	185,189.46	32,300.00		219,744.10
June 30, 1927	1,334.51	313,997.30	38,230.00		353,591.81
June 30, 1928	2,549.45	155,689.97	92,849.78		251,089.20
June 30, 1929	2,033.90	138,806.57	56,147.89		196,988.36
June 30, 1930	1,810.23	150,471.53	93,279.04		245,560.80
June 30, 1931	1,652.41	61,477.33	59,049.36		122,179.10
June 30, 1932	2,555.00	61,331.76	34,093.94		97,980.70
June 30, 1933	1,880.51	33,701.30	23,671.21		59,253.02
June 30, 1934	2,505.99	44,289.94	31,924.77		78,720.70
June 30, 1935	2,432.19	50,286.88	27,929.97		80,649.04
June 30, 1936	5,018.54	85,272.65	35,844.59		126,135.78
June 30, 1937	5,565.59	64,436.68	26,283.46		96,285.73
June 30, 1938	5,001.53	47,915.07	33,620.24		86,536.84
June 30, 1939	3,518.39	34,728.35	25,809.87		64,056.61
June 30, 1940	4,789.80	53,744.36	27,676.01		86,210.17
June 30, 1941	5,372.25	81,914.30	27,913.57		115,200.12
June 30, 1942	6,048.69	91,963.67	41,957.14		139,969.50
June 30, 1943	4,003.35	100,658.49	82,334.16		186,996.00
June 30, 1944	3,388.70	104,603.68	94,979.99		202,972.37
June 30, 1945	6,178.21	90,640.56	92,508.82		189,327.59
June 30, 1946	10,960.23	143,133.15	86,405.46		240,498.84
June 30, 1947	6,884.65	97,410.54	136,001.57		240,296.76
June 30, 1948	3,826.92	115,931.31	306,926.33		426,684.56
June 30, 1949	4,315.94	133,133.28	309,948.16		447,397.38
June 30, 1950	8,048.80	120,041.84	282,628.99		410,715.63
June 30, 1951	26,587.59	129,516.94	256,928.59		413,033.22
June 30, 1952	11,376.83	107,782.89	5,734,265.48	5,853,425.20	
June 30, 1953	21,031.65	146,634.63	1,617,075.08	1,784,741.36	
June 30, 1954	18,729.00	268,521.01	434,091.45	721,341.46	
June 30, 1955	11,155.45	354,383.89	1,478,955.15	1,844,494.49	
June 30, 1956	8,302.13	352,376.96	1,638,981.50	1,999,660.59	
TOTALS	\$ 245,405.76	\$3,943,288.25	\$13,548,201.79	\$17,736,895.80	

TABLE NO. XIX
ANNUAL APPORTIONMENT OF THE INCOME FROM THE PUBLIC SCHOOL
PERMANENT FUNDS AND OTHER SOURCES TO THE
SCHOOL DISTRICTS OF THE STATE

Year in Which Apportioned	Total Income	Less 5% Added to Perma- nent Fund	Amount Appor- tioned	No. of School Age Persons	Amount Per Capita
1889 to 1896	\$	\$	\$ 51,027.60	39,252	\$ 1.30
1897			17,731.56	42,218	.42
1898			28,630.98	46,179	.62
1899			41,561.52	49,478	.84
1900			80,428.50	53,619	1.50
1901			105,842.20	57,212	1.85
1902			138,905.00	61,736	2.25
1903			168,019.80	64,623	2.60
1904			169,786.65	66,583	2.55
1905			183,366.75	69,195	2.65
1906			205,360.60	70,814	2.90
1907			217,494.00	72,498	3.00
1908			227,071.90	73,249	3.10
1909			250,380.00	77,040	3.25
1910			306,793.75	81,545	3.75
1911			265,415.00	88,805	3.00
1912			345,404.50	98,687	3.50
1913			419,096.00	104,774	4.00
1914			513,144.00	114,032	4.50
1915			632,085.00	126,417	5.00
1916			713,291.25	135,865	5.25
1917			810,991.50	147,453	5.50
1918			877,536.00	159,552	5.50
1919			890,873.50	161,977	5.50
1920			969,756.00	161,625	6.00
1921			954,418.20	156,426	6.10
1922			785,082.90	160,211	4.90
1923			936,794.40	166,410	5.84
1924			892,363.54	157,745	5.67
1925	861,278.56	43,063.93	818,214.63	157,872	5.18
1926	1,252,595.83	62,629.79	1,189,966.04	156,383	7.61
1927	1,365,181.09	68,259.05	1,296,922.04	154,458	8.3966
1928	1,233,910.50	61,695.53	1,172,090.55	152,119	7.70509
1929	1,340,903.71	67,045.19	1,273,858.52	157,747	8.07532
1930	1,426,973.50	71,348.68	1,355,624.82	160,846	8.42809
1931	1,143,847.76	57,192.39	1,086,655.37	160,836	6.75629
1932	878,693.71	43,934.69	834,759.02	161,372	5.17288
1933	744,133.56	37,206.68	706,926.88	161,909	4.36619
1934	832,656.52	41,632.83	791,023.69	162,099	4.87988
1935	1,045,713.87	52,285.69	993,428.18	162,807	6.10187
1936	1,058,184.61	52,909.23	1,005,275.38	163,053	6.16532
1937	882,322.17	44,116.11	838,206.06	163,286	5.13361
1938	847,371.91	42,368.60	805,003.31	160,204	5.02486
1939	930,451.92	46,522.60	883,929.32	156,228	5.65794
1940	909,912.64	45,495.63	864,417.01	154,898	5.58055
1941	931,186.34	46,567.00	884,618.34	154,226	5.73586
1942	1,459,171.69	72,958.58	1,386,213.11	149,666	9.26204
1943	1,049,062.14	52,453.11	970,825.62	143,370	6.77146
1944	1,352,644.28	67,632.24	1,285,012.64	136,489	9.41477
1945	1,460,473.54	73,023.68	1,387,449.86	134,608	10.30733
1946	1,351,689.87	67,584.49	1,284,105.38	133,789	9.59798
1947	1,489,901.69	74,485.08	1,415,406.61	135,637	10.43511
1948	1,517,961.90	75,898.10	1,442,063.80	137,203	10.51053
1949	2,226,013.49	111,300.62	2,114,711.87	139,846	15.1217
1950	1,547,748.55	77,387.43	1,470,361.12	143,852	10.2213
1951	2,059,704.93	102,985.25	1,956,719.68	145,806	13.42
1952	2,912,058.78	145,602.94	2,766,455.84	146,716	18.85
1953	8,727,792.82	436,389.64	8,291,403.18	150,072	55.24
1954	4,609,604.57	230,480.23	4,379,124.34	156,309	28.01
1955	4,460,545.45	223,027.27	4,237,518.18	162,589	26.06
1956	4,618,471.58	230,923.58	4,387,548.00	169,203	25.93

TABLE NO. XX

**RECEIPTS OF THE PUBLIC SCHOOL INTEREST AND INCOME
ACCOUNT APPORTIONED TO THE COUNTIES OF THE STATE
PER CENSUS PERSON BETWEEN THE AGES OF 6 AND 21**

At the end of each calendar year the interest and income credited to the public schools, less 5% statutory deduction apportioned to the permanent school fund, is distributed by the Superintendent of Public Instruction. The amount credited during 1954 was distributed to the various counties of the state as follows:

COUNTY	Census 6-21	I & I Payment
Beaverhead	1,505	\$ 39,224.54
Big Horn	3,333	88,867.18
Blaine	2,755	71,802.90
Broadwater	732	19,077.94
Carbon	2,438	63,541.01
Carter	752	19,599.20
Cascade	13,316	347,051.71
Chouteau	1,843	48,033.67
Custer	3,019	78,683.47
Daniels	1,214	31,640.19
Dawson	2,725	71,021.02
Deer Lodge	3,755	97,865.66
Fallon	1,071	27,913.22
Fergus	3,376	87,987.88
Flathead	8,607	224,322.18
Gallatin	5,406	140,895.28
Garfield	553	14,412.71
Glacier	3,941	102,713.34
Golden Valley	338	8,809.21
Granite	749	19,521.01
Hill	4,333	112,929.94
Jefferson	880	22,935.23
Judith Basin	876	22,830.98
Lake	3,876	101,019.26
Lewis and Clark	6,029	157,132.38
Liberty	928	24,186.24
Lincoln	3,084	80,377.55
Madison	1,429	37,243.68
McCone	954	24,863.87
Meagher	489	12,744.69
Mineral	755	19,677.38
Missoula	9,255	241,210.84
Musselshell	1,106	28,825.41
Park	3,044	79,335.04
Petroleum	249	6,489.63
Phillips	1,756	45,766.21
Pondera	2,124	55,357.30
Powder River	614	16,002.53
Powell	1,576	41,048.85
Prairie	617	16,080.72
Ravalli	3,330	86,788.99
Richland	3,036	79,126.54
Roosevelt	4,350	113,373.01
Rosebud	1,766	46,026.83
Sanders	1,908	49,727.75
Sheridan	1,823	47,512.41
Silver Bow	11,980	312,231.86
Stillwater	1,548	40,345.15
Sweet Grass	923	24,055.93
Teton	2,008	52,334.02
Toole	2,015	52,516.46
Treasure	394	10,268.73
Valley	3,522	91,793.04
Wheatland	767	19,990.14
Wibaux	566	14,751.52
Yellowstone	17,252	449,634.75
TOTALS	162,589	\$4,237,518.18

TABLE NO. XXI

**RECEIPTS OF THE PUBLIC SCHOOL INTEREST AND INCOME
ACCOUNT APPORTIONED TO THE COUNTIES OF THE STATE
PER CENSUS PERSON BETWEEN THE AGES OF 6 AND 21**

At the end of each calendar year the interest and income credited to the public schools, less 5% statutory deduction apportioned to the permanent school fund, is distributed by the Superintendent of Public Instruction. The amount credited during 1955 was distributed to the various counties of the state as follows:

COUNTY	Census 6-21	I & I Payment
Beaverhead	1,510	\$ 39,155.31
Big Horn	3,371	87,412.28
Blaine	2,774	71,931.67
Broadwater	724	18,773.80
Carbon	2,439	63,244.90
Carter	753	19,525.79
Cascade	14,173	367,515.08
Chouteau	1,879	48,723.72
Custer	3,108	80,592.52
Daniels	1,188	30,805.63
Dawson	3,068	79,555.29
Deer Lodge	4,016	104,137.57
Fallon	1,166	30,235.16
Fergus	3,501	90,783.27
Flathead	8,978	232,805.25
Gallatin	5,590	144,952.45
Garfield	573	14,858.27
Glacier	4,059	105,252.59
Golden Valley	356	9,231.31
Granite	806	20,900.11
Hill	4,482	116,221.26
Jefferson	892	23,130.15
Judith Basin	868	22,507.82
Lake	3,862	100,144.24
Lewis and Clark	6,221	161,314.67
Liberty	832	21,574.31
Lincoln	3,354	86,971.47
Madison	1,441	37,366.09
McCone	944	24,478.55
Meagher	525	13,613.60
Mineral	779	20,199.99
Missoula	9,818	254,587.02
Musselshell	1,212	31,427.97
Park	3,106	80,540.66
Petroleum	246	6,378.94
Phillips	1,746	45,274.94
Pondera	2,206	57,203.05
Powder River	646	16,751.21
Powell	1,629	42,243.65
Prairie	615	15,947.36
Ravalli	3,354	86,971.47
Richland	3,101	80,411.00
Roosevelt	4,365	113,187.37
Rosebud	1,792	46,467.76
Sanders	1,975	51,213.07
Sheridan	1,823	47,271.61
Silver Bow	12,803	331,990.06
Stillwater	1,581	40,996.39
Sweet Grass	858	22,248.51
Teton	2,073	53,754.27
Toole	2,075	53,806.14
Treasure	395	10,242.61
Valley	3,426	88,838.47
Wheatland	794	20,588.95
Wibaux	558	14,469.31
Yellowstone	18,774	486,822.09
TOTALS	169,203	\$4,387,548.00

TABLE NO. XXII

**ADDITIONS TO PUBLIC SCHOOL PERMANENT FUND UNDER
CONSTITUTIONAL PROVISION THAT 5% OF PUBLIC SCHOOL
INTEREST AND INCOME FUND SHALL BE ADDED**

Month Transfer Was Made	Amount
March, 1921	\$ 7,442.22
March, 1922	41,253.83
March, 1923	49,314.52
March, 1924	46,957.18
March, 1925	43,063.93
March, 1926	53,275.11
February, 1927	68,259.05
February, 1928	61,695.53
April, 1929	67,045.19
March, 1930	71,348.68
April, 1931	57,192.39
April, 1932	43,934.69
March, 1933	37,206.68
February, 1934	41,632.83
January, 1935	52,285.69
January, 1936	52,909.23
January, 1937	44,116.11
May, 1938	42,368.60
January, 1939	46,522.60
February, 1940	45,495.63
January, 1941	46,568.00
January, 1942	72,958.58
February, 1943	52,453.11
January, 1944	67,632.24
January, 1945	73,023.68
January, 1946	67,584.49
December, 1946	74,495.08
December, 1947	75,898.10
December, 1948	111,300.62
December, 1949	77,387.43
December, 1950	102,985.25
December, 1951	145,602.94
December, 1952	436,389.64
December, 1953	230,480.23
December, 1954	223,027.27
December, 1955	230,923.58
TOTAL	\$3,062,0039.93

TABLE NO. XXIII
COST OF ADMINISTRATION

	July 1, 1954 to June 30, 1955	July 1, 1955 to June 30, 1956
STATE LAND OFFICE—		
Salaries:		
Commissioner	\$ 7,000.00	\$ 7,000.00
Other Salaries	37,595.02	35,464.42
Capital, Repairs & Replacements	505.37	801.84
Official Bonds	28.70	62.50
Industrial Accident Insurance	67.60	66.84
Legal Advertising	202.80	442.80
Legal Expense	130.00	.....
Postage	530.00	638.00
Printing & Binding	45.00	126.25
Stationery, Record Books & Blanks	758.68	1,353.10
Travel	932.56	377.49
General Office Supplies & Expense	704.04	977.59
Other Operating Expense	701.34	1,662.22
Public Employees Retirement System.....	1,135.43	1,670.45
Land Survey	3,000.00	.....
Survey of Islands .....	.....	4,176.94
TOTAL	\$ 53,336.55	\$ 54,820.44
FIELD DEPARTMENT—		
Salaries:		
Chief Field Agent	\$ 5,400.00	\$ 5,850.00
Other Salaries	26,930.00	31,694.14
Expense	19,886.22	22,232.57
Capital, Repairs & Replacements	165.00	57.75
Public Employees Retirement System.....	986.04	1,272.16
TOTAL	\$ 53,367.26	\$ 61,106.62

